

PARTICIPANTS ACCEPTANCE TESTING SYSTEMS (PATS)

California's PATS test package is based on the Internal Revenue Service's (IRS) test package to the extent the scenarios apply to California's Electronic Filing Program. This test package provides only the modifications required for California testing. Before you begin, you will need the IRS Publication 1436, Test Package for Electronic Filers of Individual Income Tax Returns.

WHAT IS TESTED?

We selected ten (10) return scenarios from the IRS test package and provided the information to prepare the appropriate California forms and schedules. We highlighted modifications to the test scenarios to assist you in preparing your state return data. We have included examples of the forms and schedules to help you validate your results before transmitting.

SPECIAL NOTES CONCERNING TEST SCENARIOS

You should complete the federal Form 1040 and associated forms and schedules before attempting to complete the California return. In some instances, you will be required to include the federal return in the state transmission

REVIEWING ACKNOWLEDGMENT (ACK) FILES AND CORRECTING TESTS

You may transmit as many test returns as necessary until you receive no error messages or rejects. If you modify any test to include only conditions your software will handle, please notify the ELF Help Desk before transmitting.

FINAL TRANSMISSION

Once you receive no rejects, you will be required to transmit the test returns in two separate same-day transmissions. Transmit the first five test scenarios in the first transmission and the remaining test scenarios in the second transmission. Transmit the test returns in ascending SSN order.

REVIEW OF PARTICIPANTS RETURN FILE (PRF)

We will compare your final transmissions with the FTB PATS Test master file and notify you of any significant miscompares. If the miscompares are not significant, we will issue you an acceptance letter and a password, if appropriate.

ALL ACKNOWLEDGMENT (ACK) FILES MUST BE PICKED UP.

COMMUNICATIONS TEST FOR THE ELF SYSTEM

Software developers/transmitters must successfully transmit the entire California PATS test package.

Software developers, who do not transmit, do not need to perform a communication test. However, you must successfully submit all California test returns through a third party transmitter.

Individuals, who are transmitting directly to the FTB using accepted software, must complete an error-free communication test by transmitting 5 returns in 2 same-day transmissions (3 returns in one and 2 in another).

USING YOUR OWN TEST

Once you have completed PATS testing, you may test additional data of your own. **ALWAYS USE YOUR TEST PASSWORD.** We welcome any suggestions for additional test scenarios. Those suggestions that we accept, will be included in the test package for next year.

TECHNICAL ASSISTANCE

If you need assistance in formatting and transmitting your returns or have questions regarding the test package, contact the ELF HELP DESK at (916) 845-0353, Monday through Friday from 8:00 AM - 5:00 PM, PST.



TEST # 1 SSN: 408-00-1001

FORMS AND SCHEDULES:

540A

Forms W-2 (1)

TAXPAYER:

Test N Ertia
215 Laid Back Way
Lazy Point CA 95678-7842

Filing Status: Single
Taxpayer **IS NOT** dependent of another

Standard Deduction

Prepared by Taxpayer

Direct Deposit: RTN: 012456778
 Acct #: 111-222-3456
 Type of Account: Savings

STATE DIFFERENCES:

Changes to Form 540A

Add:

Interest Income: **Last Savings Bank: 10,000.00**
Renter's Credit: **60.00**
Voluntary Contribution: **5.00 (D.A.R.E.)**

Changes to W-2 #1

Add:

CA SDI: **11.00**

Form W-2 #1:

b. Employer's identification number: 11-6321571
c. Employer's name, address, and Zip Code:
LOAFERS SANDWICH SHOPPE
14A LOAFERS LANE
LAZY POINT NY 11930
d. Employee's social security number: 408-00-1001
e. Employee's name (first, m, last): TEST N ERTIA
f. Employee's address and Zip code: 215 LAID BACK WAY
LAZY POINT CA 95678-7842

Box 1 (Wages, tips, etc.): 2150
Box 2 (Federal Income tax withheld): 300
Box 3 (Social Security wages): 2150
Box 4 (Social Security tax withheld): 133
Box 5 (Medicare wages and tips): 2150
Box 6 (Medicare tax withheld): 31
Box 16 (State and State ID Number): CA 112176
Box 17 (State Wages): 2150
Box 18 (State Income tax withheld): 215

CA SDI: 11

California PATS Testing Income Tax Return 1998

FORM

540A

Use the California mailing label. If you do not have the label, please print.

Step 1 Name and Address

Your first name	Initial	Last name	Your social security number	Do Not Write In These Spaces
If joint return, spouse's first name	Initial	Last name	Spouse's social security number	
Present home address — number and street including PO Box or rural route			Apt. no.	
City, town or post office			State	
			ZIP Code	

Step 2 Filing Status

Check only one.

- 1 ☐ Single
2 ☐ Married filing joint return (even if only one spouse had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
4 ☐ Head of household (with qualifying person). _____
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19 _____.

Step 3 Exemptions

Attach check or
money order and
Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, even if that person chooses not to, check here ☐ 6
7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions. 7
8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. 8
9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. ☐ 9
10 Total Exemptions 10

Step 4 Taxable Income

Attach copy of your
Form(s) W-2, W-2G
and 1099-R here.

- 12 a State wages from your Form(s) W-2, box 17 ☐ 12a
12 b Federal adjusted gross income from your TeleFile Tax Record, line H; Form 1040EZ, line 4; Form 1040A, line 16; or Form 1040, line 32. If this amount is over \$100,000, STOP; you must file Form 540. 12b
13 Total California income adjustments. Enter the amount from Side 2, Part I, line 7 ☐ 13
14 Subtract line 13 from line 12b. This is your California adjusted gross income. See instructions ☐ 14
15 Enter the larger of your CA itemized deductions OR your CA standard deduction. See instructions ☐ 15
16 Subtract line 15 from line 14. This is your taxable income. If less than zero, enter -0-. 16
17 Tax. Use the tax table or tax rate schedules to find the tax on the amount shown on line 16 17
18 Exemption credits. 18
19 Nonrefundable Renter's Credit 19
20 Total credits. Add line 18 and line 19 20
23 Subtract line 18 from line 17. This is your total tax. If less than zero, enter -0-. ☐ 23

Step 5 Tax and Credits

Step 6 Overpaid Tax or Tax Due

- 24 California income tax withheld. See instructions ☐ 24
25 1997 CA estimated tax and payment with form FTB 3519 ☐ 25
27 Did either you or your spouse receive more than \$31,767 in wages in 1997? Yes. See instructions. No. Go to line 28 ☐ 27
28 Total payments and credits. Add line 24, line 25 and line 27. 28
29 Overpaid tax. If line 28 is more than line 23, subtract line 23 from line 28. 29
30 Enter the amount of line 29 you want applied to your 1998 estimated tax. ☐ 30
31 Overpaid tax available this year. Subtract line 30 from line 29. ☐ 31
32 Tax due. If line 28 is less than line 23, subtract line 28 from line 23. 32

Step 7 Refund or Amount You Owe

- 34 Total contributions. Enter amount from Side 2, Part II, line 11 ☐ 34
35 Subtract line 34 from line 31. Enter the result here and go to Side 2, Part III to sign your return. You have a REFUND or NO AMOUNT DUE ☐ 35 \$
36 Add line 32 and line 34. Enter the result here and go to Side 2, Part III to sign your return. This is the AMOUNT YOU OWE ☐ 36 \$
37 Underpayment of estimated tax. If form FTB 5805 is attached, check here ☐ 37
38 If you do not need California income tax forms mailed to you next year, check here. ☐ 38

Continued on Side 2.

Part I

California Income Adjustments

See instructions

1	State income tax refund adjustment (from Form 1040, line 10). See instructions	1		
2	Unemployment compensation adjustment (from federal TeleFile Tax Record, line D; Form 1040EZ, line 3; Form 1040A, line 12; or Form 1040, line 19). See instructions	2		
3	Social security benefits adjustment or tier 1 and tier 2 railroad retirement benefits adjustment. See instructions	3		
4	California nontaxable interest or dividend income adjustment. See instructions	4		
5	California IRA distributions adjustment. See instructions	5		
6	California pensions and annuities adjustment. See instructions	6		
7	Total California income adjustments. Add line 1 through line 6. Enter here and on Side 1, line 13	7		

Part II

Contributions

1	Contribution to California Seniors Special Fund. See instructions	◀ 47 ▶	1		
You may make a contribution of \$1 or more to the following funds:					
2	Alzheimer's Disease/Related Disorders Fund	◀ 48 ▶	2		00
3	California Fund for Senior Citizens	◀ 49 ▶	3		00
4	Rare and Endangered Species Preservation Program	◀ 50 ▶	4		00
5	State Children's Trust Fund for the Prevention of Child Abuse	◀ 51 ▶	5		00
6	California Breast Cancer Research Fund	◀ 52 ▶	6		00
7	California Firefighters' Memorial Fund	◀ 53 ▶	7		00
8	California Public School Library Protection Fund	◀ 54 ▶	8		00
9	D.A.R.E. California (Drug Abuse Resistance Education) Fund.	◀ 55 ▶	9		00
10	California Military Museum Fund	◀ 56 ▶	10		00
11	California Mexican American Veterans' Memorial	< 57 >	11		

Do not attach your federal return to this return.

Part III

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct and complete. **9**

Your signature _____ Spouse's signature (if filing joint, both must sign) _____ Daytime phone number _____

(| | | |) | | | | + | | | |

Sign Here

X _____ X _____ Date | | | | | | | |

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Preparer's SSN/FEIN _____

It is unlawful to forge a spouse's signature.

Firm's name (or yours if self-employed) _____ Firm's address _____

Where to Mail Your Return

REFUND or NO AMOUNT DUE (Side 1, line 35):

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0000

AMOUNT DUE (Side 1, line 36):

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

- Make your check or money order payable to "Franchise Tax Board."
- Write your social security number and "1997 Form 540A" on your check or money order.
- Complete Form 540-V, Return Payment Voucher for Individuals.
- Attach check or money order and voucher to your Form 540A.

Due to a tax law change, renter's credit has been eliminated for 1997.
You may not claim the credit on your personal income tax return.

- Be sure to file your return by April 15, 1999
- If you cannot file your return by April 15, 1999 and owe tax, be sure to complete form FTB 3519, Payment Voucher for Automatic Extension for Individuals, and pay the amount you owe by April 15, 1999 to avoid late payment penalties and interest.
- Do not attach a copy of your federal return.
- Use the preprinted label if you received one. If the information is not correct, make the necessary corrections in ink. If you did not receive a label, print your name, social security number and address in Step 1.

TEST # 2 SSN: 408-00-1002

FORMS AND SCHEDULES:

540A

Forms W-2 (2)

TAXPAYER:

Test O Maple
7842 Weeping Willow Ln
Audubon CA 95678

Filing Status: Single
 Dependent of Another

Standard Deduction

Prepared by Taxpayer

Direct Debit: RTN: 012345672
 Acct #: 1234000000
 Type of Account: Checking
 Requested Payment Date: 04-15-1999
 Amount of Payment: 7

STATE DIFFERENCES:

Changes to Form 540A

Add:

Renter's Credit: 60.00

Changes to W-2 #1

Add:

CA SDI: 6.00

Changes to W-2 #2

Add:

CA SDI: 16

Change:

State withholding to ***24.00***

Form W-2 #1:

b. Employer's identification number: 22-2244661
c. Employer's name, address, and Zip Code:
TREE TOPPERS INC
783 CHRISTMAS TREE DRIVE
AUDUBON NJ 08106
d. Employee's social security number: 408-00-1002
e. Employee's name (first, m, last): TEST O MAPLE
f. Employee's address and Zip code: 7842 WEEPING WILLOW LN
AUDUBON CA 95678

Box 1 (Wages, tips, etc.): 1200
Box 2 (Federal Income tax withheld): 480
Box 3 (Social Security wages): 1200
Box 4 (Social Security tax withheld): 74
Box 5 (Medicare wages and tips): 1200
Box 6 (Medicare tax withheld): 17
Box 16 (State and State ID Number): CA 22130
Box 17 (State Wages): 1200
Box 18 (State Income tax withheld): 84
CA SDI: 6

Form W-2 #2:

b. Employer's identification number: 22-3355771
c. Employer's name, address, and Zip Code:
OAKLEYS YARD AND GARDEN
87 KUDZU CENTER
AUDUBON NJ 08106
d. Employee's social security number: 408-00-1002
e. Employee's name (first, m, last): TEST O MAPLE
f. Employee's address and Zip code: 7842 WEEPING WILLOW LN
AUDUBON CA 95678

Box 1 (Wages, tips, etc.): 3200
Box 2 (Federal Income tax withheld): 880
Box 3 (Social Security wages): 3200
Box 4 (Social Security tax withheld): 198
Box 5 (Medicare wages and tips): 3200
Box 6 (Medicare tax withheld): 46
Box 16 (State and State ID Number): CA 22876
Box 17 (State Wages): 3200
Box 18 (State Income tax withheld): 24
CA SDI: 16

California PATS Testing Income Tax Return 1998

FORM

540A

Use the California mailing label. If you do not have the label, please print.

Step 1 Name and Address

Your first name	Initial	Last name	Your social security number	Do Not Write In These Spaces
If joint return, spouse's first name	Initial	Last name	Spouse's social security number	
Present home address — number and street including PO Box or rural route			Apt. no.	
City, town or post office			State	
			ZIP Code	

Step 2 Filing Status

Check only one.

- 1 ☐ Single
2 ☐ Married filing joint return (even if only one spouse had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
4 ☐ Head of household (with qualifying person). _____
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19 _____.

Step 3 Exemptions

Attach check or
money order and
Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, even if that person chooses not to, check here ☐ 6
7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions. 7
8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. 8
9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. ☐ 9
10 Total Exemptions 10

Step 4 Taxable Income

Attach copy of your
Form(s) W-2, W-2G
and 1099-R here.

- 12 a State wages from your Form(s) W-2, box 17 ☐ 12a
12 b Federal adjusted gross income from your TeleFile Tax Record, line H; Form 1040EZ, line 4; Form 1040A, line 16; or Form 1040, line 32. If this amount is over \$100,000, STOP; you must file Form 540. 12b
13 Total California income adjustments. Enter the amount from Side 2, Part I, line 7 ☐ 13
14 Subtract line 13 from line 12b. This is your California adjusted gross income. See instructions ☐ 14
15 Enter the larger of your CA itemized deductions OR your CA standard deduction. See instructions ☐ 15
16 Subtract line 15 from line 14. This is your taxable income. If less than zero, enter -0-. 16
17 Tax. Use the tax table or tax rate schedules to find the tax on the amount shown on line 16 17
18 Exemption credits. 18
19 Nonrefundable Renter's Credit 19
20 Total credits. Add line 18 and line 19 20
23 Subtract line 18 from line 17. This is your total tax. If less than zero, enter -0-. ☐ 23

Step 5 Tax and Credits

Step 6 Overpaid Tax or Tax Due

- 24 California income tax withheld. See instructions ☐ 24
25 1997 CA estimated tax and payment with form FTB 3519 ☐ 25
27 Did either you or your spouse receive more than \$31,767 in wages in 1997? Yes. See instructions. No. Go to line 28 ☐ 27
28 Total payments and credits. Add line 24, line 25 and line 27. 28
29 Overpaid tax. If line 28 is more than line 23, subtract line 23 from line 28. 29
30 Enter the amount of line 29 you want applied to your 1998 estimated tax. ☐ 30
31 Overpaid tax available this year. Subtract line 30 from line 29. ☐ 31
32 Tax due. If line 28 is less than line 23, subtract line 28 from line 23. 32

Step 7 Refund or Amount You Owe

- 34 Total contributions. Enter amount from Side 2, Part II, line 11 ☐ 34
35 Subtract line 34 from line 31. Enter the result here and go to Side 2, Part III to sign your return. You have a REFUND or NO AMOUNT DUE ☐ 35 \$
36 Add line 32 and line 34. Enter the result here and go to Side 2, Part III to sign your return. This is the AMOUNT YOU OWE ☐ 36 \$
37 Underpayment of estimated tax. If form FTB 5805 is attached, check here ☐ 37
38 If you do not need California income tax forms mailed to you next year, check here. ☐ 38

Continued on Side 2.

FORMS REQUIRED: **FORM 540NR, SCH CA(NR)**
FORM 5870A CAN BE PREPARED BUT IS NOT MANDATORY

INFORMATION RETURNS ATTACHED: FORM W-2 (1)

STATEMENTS: ALIMONY RECIPIENT STATEMENT

(Recipient's SSN): 400-55-5003 1200 **TIM JONES**

(Recipient's SSN): 400-55-6003 2000 **LES SMITH**

OTHER:

DIRECT DEPOSIT: NAME OF INSTITUTION: SOUTHEAST NORTHWEST BANK

RTN: 012344589

ACCT #: LOANXXXX400001003

TYPE OF ACCT: CHECKING

PREPARED BY:

TAXPAYER: NAME: TEST Z CANASTA AGE: 40 SSN: **408-00-1003**

ADDRESS: % ROYAL FLUSH

12 QUEEN OF HEARTS BLVD

BLACKJACK **CA 95678**

FILING STATUS: HEAD OF HOUSEHOLD **W I HOH QUESTIONAIRE**

DEPENDENTS:

NAME RELATIONSHIP

SAMUEL CANASTA SON

MARY CANASTA DAUGHTER

SCHEDULE CA(NR)

PART I

LINE 2: MS 070197

PART II

(a) (b) (c) (d) (e)

WAGES 18500 18500

CAP GAINS 30000 30000 30000

ALIMONY 3200 3200 1600

Ratio:

P
E
N
D
I
N
G

TEST # 4 SSN: 408-00-1004

FORMS AND SCHEDULES:

540EZ

Forms W-2 (1)

TAXPAYER:

Test A Eau De Toilette
5 Gotta Smell Good St
APT 14
COLOGNE CA 95678

Filing Status: Single

Standard Deduction

Prepared by Taxpayer

STATE DIFFERENCES:

Changes to Form 540EZ

Add:

Renter's Credit: **60.00**

Changes to W-2 #1

Add:

CA VPD: **38.00**

Form W-2 #1:

b. Employer's identification number: 41-8765432
c. Employer's name, address, and Zip Code:
SWEET AROMA HEALTH AND BEAUTY AIDES
7 FRAGRANT WAY
COLOGNE MN 55322
d. Employee's social security number: 408-00-1004
e. Employee's name (first, m, last): TEST A EAU DE TOILETTE
f. Employee's address and Zip code: 5 GOTTA SMELL GOOD ST
COLOGNE CA 95678

Box 1 (Wages, tips, etc.): 7500

Box 2 (Federal Income tax withheld): 150

Box 3 (Social Security wages): 8000

Box 4 (Social Security tax withheld): 496

Box 5 (Medicare wages and tips): 8000

Box 6 (Medicare tax withheld): 116

Box 13 (See instructions): D 500

Box 15 (Deferred Compensation): X

Box 16 (State and State ID Number): CA 41777

Box 17 (State Wages): 7500

Box 18 (State withheld): 525

CA VPD: 38

540EZ

Use the California mailing label. If you do not have the label, please print.

Step 1

Name and Address

Your first name										Initial		Last name										Your social security number								Do Not Write In These Spaces	
If joint return, spouse's first name										Initial		Last name										Spouse's social security number								P	
Present home address — number and street including PO Box or rural route																		Apt. no.				AC									
																						A									
City, town or post office														State		ZIP Code						R									
																						RP									

Step 2


Filing Status


- 1 ☐ Single
- 2 ☐ Married filing joint return (even if only one spouse had income)
- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, even if that person chooses not to, check here ☐ 6 ☐


Step 3


**Taxable
Income**


Attach check
or money
order and
Form 540-V
here.


- 12a** State wages from your Form(s) W-2, box 17. ● **12a** 

12b Federal adjusted gross income from your TeleFile Tax Record, line H; or your Form 1040EZ, line 4; or your Form 1040A, line 16; or your Form 1040, line 32 **12b** 

13 Unemployment compensation from your federal TeleFile Tax Record, line D; or Form 1040EZ, line 3; or Form 1040A, line 12; or Form 1040, line 19 ● **13** 

14 Subtract line 13 from line 12b. This is your California adjusted gross income ● **14** 

15 Did you check the box on line 6?
Yes. Complete the worksheet on Side 2, Part I.
No. If single, enter \$2642. If married filing joint, enter \$5284. ● **15** 

16 Subtract line 15 from line 14. This is your taxable income. If it is more than \$50,000, STOP. You must use Form 540A or Form 540. If line 15 is more than line 14, enter -0- **16** 

Step 4

Tax and Credits

Attach copy
of your
Form(s) W-2
here.

- 17** Tax. Use the amount on line 16 to find your tax in the tax table.
Enter the tax from the table on this line **17**

18 Did you check the box on line 6?
Yes. Go to Side 2, Part II.
No. If single, enter \$70. If married filing joint, enter \$140. **18**

23 Subtract line 18 from line 17. This is your total tax. If less than zero, enter -0-. **23**


Step 5 Overpaid Tax or Tax Due



- 24** Enter your California income tax withheld from your Form(s) W-2, box 18 **24**



31 Overpaid tax. If line 24 is more than line 23, subtract line 23 from line 24.
Enter the result and go to line 34. If line 24 is less than line 23,
enter -0- and go to line 32 **31**

32 Tax due. If line 24 is less than line 23, subtract line 24 from line 23.
Enter the result and go to line 34 **32**

Step 6 Refund or Amount You Owe

- 34** Total contributions. Enter amount from Side 2, Part III, line 10. **34** 

35 Subtract line 34 from line 31. Enter the result here. You have a **REFUND** or **NO AMOUNT DUE**. Go to Side 2, Part IV to sign your return **35**  \$ 

36 Add line 32 and line 34. Enter the result here. This is the **AMOUNT YOU OWE**. Go to Side 2, Part IV to sign your return **36**  \$ 



TEST # 5 SSN: 408-00-1005

FORMS AND SCHEDULES:

540A

Forms W-2 (2)

TAXPAYER & SPOUSE:

Test U Grass

May B Grass 408-00-2005

74131 Fescue Dr

Rye CA 95678

Filing Status: Married Filing Jointly

DEPENDENTS:

Timothy Grass - SON

Mary Grass - DAUGHTER

David Grass - SON

Susan Grass - DAUGHTER

Phillip Grass - SON

Angela Grass - DAUGHTER

Standard Deduction

Prepared by Taxpayer

STATE DIFFERENCES:

Changes to 540A

Add:

Renter's Credit: **60.00**

Excess SDI: **52.00**

Changes to W-2 #1

Add:

CA SDI: **123.00**

Remove:

Dependent Care Benefits: **0**

Changes to W-2 #2

Both W-2'S are for primary taxpayer

Form W-2 #1:

b. Employer's identification number: 02-9876543
c. Employer's name, address, and Zip Code:
LAST JOB INC
97 WHEATLEY AVE
RYE NH 03870
d. Employee's social security number: 408-00-1005
e. Employee's name (first, m, last): TEST U GRASS
f. Employee's address and Zip code: 74131 FESCUE DR
RYE CA 95678

Box 1 (Wages, tips, etc.): 24500
Box 2 (Federal Income Tax Withheld): 900
Box 3 (Social Security wages): 24500
Box 4 (Social Security tax withheld): 1519
Box 5 (Medicare wages and tips): 24500
Box 6 (Medicare tax withheld): 355
Box 10 (Dependent care benefits): 0
Box 16 (State and State ID Number): CA 0288888
Box 17 (State Wages): 24500
Box 18 (State Income tax withheld): 1715
CA SDI: 123

Form W-2 #2:

b. Employer's identification number: 02-5689124
c. Employer's name, address, and Zip Code:
SNODGRASS FEED AND SEED
1 PLANTATION ST
RYE NH 03870
d. Employee's social security number: 408-00-1005
e. Employee's name (first, m, last): TEST U GRASS
f. Employee's address and Zip code: 74131 FESCUE DR
RYE CA 95678

Box 1 (Wages, tips, etc.): 17500
Box 2 (Federal Income Tax Withheld): 550
Box 3 (Social Security wages): 17500
Box 4 (Social Security tax withheld): 1085
Box 5 (Medicare wages and tips): 17500
Box 6 (Medicare tax withheld): 254
Box 16 (State and State ID Number): CA 0277777
Box 17 (State Wages): 17500
Box 18 (State Income tax withheld): 1225
CA SDI: 88

California PATS Testing Income Tax Return 1998

FORM

540A

Use the California mailing label. If you do not have the label, please print.

Step 1 Name and Address

Your first name	Initial	Last name	Your social security number	Do Not Write In These Spaces
If joint return, spouse's first name	Initial	Last name	Spouse's social security number	
Present home address — number and street including PO Box or rural route			Apt. no.	
City, town or post office			State	
			ZIP Code	

Step 2 Filing Status

Check only one.

- 1 ☐ Single
2 ☐ Married filing joint return (even if only one spouse had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
4 ☐ Head of household (with qualifying person). _____
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19 _____.

Step 3 Exemptions

Attach check or
money order and
Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, even if that person chooses not to, check here ☐ 6
7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions. 7
8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. 8
9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. ☐ 9
10 Total Exemptions 10

Step 4 Taxable Income

Attach copy of your
Form(s) W-2, W-2G
and 1099-R here.

- 12 a State wages from your Form(s) W-2, box 17 ☐ 12a
12 b Federal adjusted gross income from your TeleFile Tax Record, line H; Form 1040EZ, line 4; Form 1040A, line 16; or Form 1040, line 32. If this amount is over \$100,000, STOP; you must file Form 540. 12b
13 Total California income adjustments. Enter the amount from Side 2, Part I, line 7 ☐ 13
14 Subtract line 13 from line 12b. This is your California adjusted gross income. See instructions ☐ 14
15 Enter the larger of your CA itemized deductions OR your CA standard deduction. See instructions ☐ 15
16 Subtract line 15 from line 14. This is your taxable income. If less than zero, enter -0-. 16
17 Tax. Use the tax table or tax rate schedules to find the tax on the amount shown on line 16 17
18 Exemption credits. 18
19 Nonrefundable Renter's Credit 19
20 Total credits. Add line 18 and line 19 20
23 Subtract line 18 from line 17. This is your total tax. If less than zero, enter -0-. ☐ 23

Step 5 Tax and Credits

Step 6 Overpaid Tax or Tax Due

- 24 California income tax withheld. See instructions ☐ 24
25 1998 estimated tax and payment with form FTB 3519 ☐ 25
27 Did either you or your spouse receive more than \$31,767 in wages in 1998? Yes. See instructions. No. Go to line 28 ☐ 27
28 Total payments and credits. Add line 24, line 25 and line 27. 28
29 Overpaid tax. If line 28 is more than line 23, subtract line 23 from line 28. 29
30 Enter the amount of line 29 you want applied to your 1998 estimated tax. ☐ 30
31 Overpaid tax available this year. Subtract line 30 from line 29. ☐ 31
32 Tax due. If line 28 is less than line 23, subtract line 28 from line 23. 32

Step 7 Refund or Amount You Owe

- 34 Total contributions. Enter amount from Side 2, Part II, line 11 ☐ 34
35 Subtract line 34 from line 31. Enter the result here and go to Side 2, Part III to sign your return. You have a REFUND or NO AMOUNT DUE ☐ 35 \$
36 Add line 32 and line 34. Enter the result here and go to Side 2, Part III to sign your return. This is the AMOUNT YOU OWE ☐ 36 \$
37 Underpayment of estimated tax. If form FTB 5805 is attached, check here ☐ 37
38 If you do not need California income tax forms mailed to you next year, check here. ☐ 38

Continued on Side 2.

**California
Income
Adjustments**
See instructions

- | | | | | |
|---|---|---|-------|--|
| 1 | State income tax refund adjustment (from Form 1040, line 10). See instructions | 1 | _____ | |
| 2 | Unemployment compensation adjustment (from federal TeleFile Tax Record, line D; Form 1040EZ, line 3;
Form 1040A, line 12; or Form 1040, line 19). See instructions | 2 | _____ | |
| 3 | Social security benefits adjustment or tier 1 and tier 2 railroad retirement benefits adjustment. See instructions | 3 | _____ | |
| 4 | California nontaxable interest or dividend income adjustment. See instructions | 4 | _____ | |
| 5 | California IRA distributions adjustment. See instructions | 5 | _____ | |
| 6 | California pensions and annuities adjustment. See instructions | 6 | _____ | |
| 7 | Total California income adjustments. Add line 1 through line 6. Enter here and on Side 1, line 13 | 7 | _____ | |

Part II

Contributions

- | | | | | | |
|----|---|--------|----|-------|----|
| 1 | Contribution to California Seniors Special Fund. See instructions | ◀ 47 ▶ | 1 | _____ | |
| | You may make a contribution of \$1 or more to the following funds: | | | | |
| 2 | Alzheimer's Disease/Related Disorders Fund | ◀ 48 ▶ | 2 | _____ | 00 |
| 3 | California Fund for Senior Citizens. | ◀ 49 ▶ | 3 | _____ | 00 |
| 4 | Rare and Endangered Species Preservation Program | ◀ 50 ▶ | 4 | _____ | 00 |
| 5 | State Children's Trust Fund for the Prevention of Child Abuse | ◀ 51 ▶ | 5 | _____ | 00 |
| 6 | California Breast Cancer Research Fund | ◀ 52 ▶ | 6 | _____ | 00 |
| 7 | California Firefighters' Memorial Fund | ◀ 53 ▶ | 7 | _____ | 00 |
| 8 | California Public School Library Protection Fund | ◀ 54 ▶ | 8 | _____ | 00 |
| 9 | D.A.R.E. California (Drug Abuse Resistance Education) Fund. | ◀ 55 ▶ | 9 | _____ | 00 |
| 10 | California Military Museum Fund | ◀ 56 ▶ | 10 | _____ | 00 |
| 11 | California Mexican American Veterans' Memorial | < 57 > | 11 | _____ | |

Do not attach your federal return to this return.

Part III

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct and complete. 9

Your signature	Spouse's signature (if filing joint, both must sign)	Daytime phone number () - + - - - -
----------------	--	--

Sign Here

X X Date

--	--	--	--	--	--

It is unlawful to forge a spouse's signature.

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) Preparer's SSN/FEIN

Firm's name (or yours if self-employed)	Firm's address
---	----------------

Where to Mail Your Return

REFUND or NO AMOUNT DUE (Side 1, line 35):

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0000

AMOUNT DUE (Side 1, line 36):

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

- Make your check or money order payable to "Franchise Tax Board."
- Write your social security number and "1997 Form 540A" on your check or money order.
- Complete Form 540-V, Return Payment Voucher for Individuals.
- Attach check or money order and voucher to your Form 540A.

Due to a tax law change, renter's credit has been eliminated for 1997. You may not claim the credit on your personal income tax return.

- Be sure to file your return by April 15, 1999
- If you cannot file your return by April 15, 1999 and owe tax, be sure to complete form FTB 3519, Payment Voucher for Automatic Extension for Individuals, and pay the amount you owe by April 15, 1999 to avoid late payment penalties and interest.
- Do not attach a copy of your federal return.
- Use the preprinted label if you received one. If the information is not correct, make the necessary corrections in ink. If you did not receive a label, print your name, social security number and address in Step 1.

TEST # 6 SSN: **408-00-1006**

FORMS AND SCHEDULES:

540

FORM 3800

TAXPAYER:

Test D Richard
94022 Patricia Ct
Nixon **CA 95678**

Filing Status: Single
Dependent of Another

Standard Deduction

Prepared by: Robert R Roberts	SSN: 400-55-4006
Roberts Enterprises	EIN: 88-6868686
645 Salem St	
Taxingplace NV 89424	

STATE DIFFERENCES:

Changes to 540A

Add:

Estimate payment: 700.00

California PATS Testing Income Tax Return 1998

FORM

540

Fiscal year filers, enter year ending: month year 1 9 9 9

Step 1

Name and Address

Use mailing label or print.

Your first name		Initial	Last name		Your social security number				Do Not Write In These Spaces
If joint return, spouse's first name		Initial	Last name		Spouse's social security number				
Present home address — number and street including PO Box or rural route								Apt. no.	
City, town or post office					State	ZIP Code			
								P	
								AC	
								A	
								R	
								RP	

Step 2

Filing Status

Check only one.

- 1 ☐ Single
- 2 ☐ Married filing joint return (even if only one spouse had income)
- 3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
- 4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
- 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19____.

Step 3

Exemptions

Attach check or money order and Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, check the box here. ● 6 ☐
- 7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2.
If you checked the box on line 6, see instructions. 7
- 8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. 8
- 9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. ● 9
- 10 Total number of exemptions. 10
- 11 Total number of dependents. 11

Step 4

Taxable Income

Attach copy of your Form(s) W-2, W-2G and 1099-R here.

- 12 State wages from your Form(s) W-2, box 17. ● 12
- 13 Federal adjusted gross income from Form 1040, line 32, Form 1040A, line 16, Form 1040EZ, line 4 or TeleFile Tax Record, line H 13
- 14 California adjustments — subtractions. Enter the amount from Schedule CA (540), line 32, column B ● 14
Caution: If the amount on Schedule CA (540), line 32, column B is a negative number, see instructions.
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions. 15
- 16 California adjustments — additions. Enter the amount from Schedule CA (540), line 32, column C ● 16
Caution: If the amount on Schedule CA (540), line 32, column C is a negative number, see instructions.
- 17 California adjusted gross income. Combine line 15 and line 16 ● 17
- 18 Enter the larger of:

Your California itemized deductions from Schedule CA (540), line 39; OR Your California standard deduction shown below for your filing status:	• Married filing joint, Head of household, or Qualifying widow(er) . . . \$5,284 • Single or Married filing separate \$2642 (Dependent of someone else and checked box on line 6. . . See instructions)	● 18
--	---	---
- 19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0- 19

Step 5

Tax

- 20 Tax. Check if from ☐ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 or ☐ FTB 3803 ● 20
Caution: If under age 14 and you have more than \$1400 of investment income, read the line 20 instructions to see if you must attach form FTB 3800.
- 21 Exemption credits.
Caution: See the line 21 instructions before making an entry on this line.
Check if from ☐ Flowchart ☐ Federal AGI limit or ☐ California TMT limit ● 21
- 22 Subtract line 21 from line 20. If less than zero, enter -0- 22
- 23 Tax. Check if from ☐ Schedule G-1, Tax on Lump-Sum Distributions; and ☐ form FTB 5870A, Tax on Accumulation Distribution of Trusts ● 23
- 24 Add line 22 and line 23. Continue to Side 2 24

Step 6**Special Credits and Nonrefundable Renter's Credit**

25	Amount from Side 1, line 24	25	
28	Enter credit name _____ code no. _____ and amount	▶ 28	
29	Enter credit name _____ code no. _____ and amount	▶ 29	
30	To claim more than two credits, see instructions	● 30	
31	Nonrefundable renter's credit. See instructions for "Step 6"	● 31	
33	Add line 28 through line 31. These are your total credits	33	
34	Subtract line 33 from line 25. If less than zero, enter -0-	34	

Step 7**Other Taxes**

35	Alternative minimum tax. Attach Schedule P (540)	● 35	
36	Other taxes and credit recapture. See instructions	● 36	
37	Add line 34 through line 36. This is your total tax	● 37	

Step 8**Payments**

38	CA income tax withheld. Enter total from your 1998 Form(s) W-2, W-2G, 1099-MISC and 1099-R. Also, attach form(s) to Side 1	■ 38	
39	1998 California estimated tax and amount applied from your 1997 return. Include the amount from form FTB 3519 or Schedule K-1 (541)	■ 39	
41	Did either you or your spouse receive more than \$31,767 in wages in 1998? Yes. See instructions. No. Go to line 42	■ 41	
42	Add line 38 through line 41. These are your total payments	42	

Step 9**Overpaid Tax or Tax Due**

43	Overpaid tax. If line 42 is more than line 37, subtract line 37 from line 42	43	
44	Amount of line 43 you want applied to your 1999 estimated tax	■ 44	
45	Overpaid tax available this year. Subtract line 44 from line 43	■ 45	
46	Tax due. If line 42 is less than line 37, subtract line 42 from line 37	46	

Step 10**Contributions**

47	Contribution to California Seniors Special Fund. See instructions	● 47	
You may make a contribution of \$1 or more to:			
48	Alzheimer's Disease/Related Disorders Fund	● 48	00
49	California Fund for Senior Citizens	● 49	00
50	Rare and Endangered Species Preservation Program	● 50	00
51	State Children's Trust Fund for the Prevention of Child Abuse	● 51	00
52	California Breast Cancer Research Fund	● 52	00
53	California Firefighters' Memorial Fund	● 53	00
54	California Public School Library Protection Fund	● 54	00
55	D.A.R.E. California (Drug Abuse Resistance Education) Fund	● 55	00
56	California Military Museum Fund	● 56	00
57	California Mexican American Veterans' Fund	● 57	00
58	Emergency Food Assistance Program Fund	● 58	00
59	Add line 47 through line 58. These are your total contributions	● 59	

Step 11**Refund or Amount You Owe**

60	REFUND OR NO AMOUNT DUE. Subtract line 59 from line 45. Mail your return to: IMAGE PROCESSING, FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009	■ 60	
61	AMOUNT YOU OWE. Add line 46 and line 59. Make a check/money order payable to "Franchise Tax Board" for the full amount. Write your social security number and "1998 Form 540" on it. Attach it to the front of your Form 540 and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001.	■ 61	

Step 12**Interest and Penalties**

62	Interest, late return penalties and late payment penalties	62	
63	Underpayment of estimated tax. If form FTB 5805 or 5805F is attached, check here	<input type="checkbox"/> ■ 63	
		● 64	4

Sign Here

It is unlawful to forge a spouse's signature.

IMPORTANT: See "Sign Your Return" in the Form 540 instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Your signature	Spouse's signature (if filing joint, both must sign)	Date	Daytime phone number
X	X		()

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) Paid preparer's SSN/FEIN

Firm's name (or yours if self-employed) Firm's address

1998

Tax Computation for Children with INVESTMENT INCOME - PATS TESTING

3800

Attach ONLY to the child's Form 540 or Form 540NR.

Child's name as shown on return

Child's social security number

Parent's name (first, initial and last). (Caution: See instructions before completing.)

Parent's social security number

Parent's filing status (check one):

☐ Single ☐ Married filing joint ☐ Married filing separate ☐ Head of household ☐ Qualifying widow(er)

Enter number of exemptions claimed on parent's return

Part 1

FIGURE CHILD'S NET INVESTMENT INCOME

1 Enter the child's investment income, such as taxable interest and dividend income. See instructions.

If this amount is \$1,400 or less, stop here; do not file this form

2 If the child DID NOT itemize deductions on California Schedule CA (540 or 540NR), line 39, enter \$1,400.

If the child ITEMIZED deductions, see instructions

3 Subtract line 2 from line 1. If zero or less, stop here; do not complete the rest of this

form but ATTACH it to the child's return

4 Enter the child's **taxable** income from Form 540, line 19 or Form 540NR, line 19

5 Net Investment Income. Compare the amounts on line 3 and line 4. Enter the **smaller** of the two amounts here

Part 2

FIGURE TENTATIVE TAX BASED ON THE TAX RATE OF THE PARENT LISTED ABOVE

6 Enter the parent's **taxable** income from Form 540, line 19; Form 540A, line 16; Form 540EZ, line 16; or Form 540NR, line 19

7 Enter the total net investment income, if any, shown on form(s) FTB 3800, line 5, of ALL OTHER children of the parent. Do not include the amount from line 5 above

8 Add line 5 through line 7

9 Tax on the amount on line 8 based on the **parent's** filing status. Use the tax table or tax rate schedules found in the 1998 instructions for Form 540, 540A or 540EZ. Form 540NR filers, see instructions

10 Enter the parent's tax from Form 540, line 20; Form 540A, line 17; or Form 540EZ, line 17.

Form 540NR filers, see instructions

11 Subtract line 10 from line 9. If you did not enter an amount on line 7, enter the amount

from line 11 on line 13 and skip line 12a and line 12b

12 a Add line 5 and line 7

12a

b Divide line 5 by line 12a. Enter the result as a decimal (rounded to two places)

12b

x

13 Multiply line 11 by the decimal amount on line 12b.

13

Part 3

FIGURE CHILD'S TAX

Note: If the amounts on line 4 and line 5 above are the same, go to line 16.

14 Subtract line 5 from line 4

14

15 Tax on the amount on line 14 based on the **child's** filing status. Use the tax table or tax rate schedules found in the 1997 instructions for Form 540. Form 540NR filers, see instructions.

15

16 Add line 13 and line 15.

16

17 Tax on the amount on line 4 based on the **child's** filing status. Use the tax table or tax rate schedules found in the 1997 instructions for Form 540. Form 540NR filers, see instructions.

17

18 Compare the amounts on line 16 and line 17. Enter the **larger** of the two amounts here and on the child's Form 540, line 20. Also check the box labeled "FTB 3800" on the child's tax return. Form 540NR filers, see instructions.

18

General Information

Purpose

For children under age 14, investment income over \$1,400 is taxed at the parent's rate if the parent's rate is higher than the child's rate. If the child's investment income is more than \$1,400, use this form to figure the child's tax. However, you should include only income taxed by California on this form. You should also include investment income that was not taxed on the child's federal tax return but is taxable under California law.

If you use form FTB 3800, you must file Form 540, California Resident Income Tax Return or Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, for your child.

Do not use form FTB 3800 if:

- Neither of the child's parents was living on December 31, 1998; OR
- The child's investment income was less than \$1,400.

If you do not file form FTB 3800, figure the tax in the normal manner on the child's Form 540, Form 540A, Form 540EZ or Form 540NR.

Note: Parents of children under age 14 may elect to include the child's investment income on the parent's tax return. To make this election, the child must have had income from only interest and dividends. The election is not available if estimated tax pay-

TEST # 8 SSN: 408-00-1008

FORMS AND SCHEDULES:

540A

Forms W-2 (1)

TAXPAYER:

Test M Lucky
13 Winners Cir
Horse Shoe CA 95678

Filing Status: Single

DEPENDENTS:

Gottabee Lucky - Son
Wanna B Different - Daughter

****CHILDREN CLAIMED AS DEPENDENTS BUT DID NOT LIVE WITH TAXPAYER*****

****TAXPAYER DID NOT MEET QUALIFICATIONS FOR HEAD OF HOUSEHOLD******

Standard Deduction

Prepared by Taxpayer

STATE DIFFERENCES:

Changes to Form 540A

Add:

Renter's Credit: **60.00**
Applied to 1998 Taxes: **180.00**

Changes to W-2 #1

Add:

CA SDI: **70.00**

Form W-2 #1:

b. Employer's identification number: 56-1234567

c. Employer's name, address, and Zip Code:

THOROUGHbred FARMS

1 LICKSKILLET LANE

HORSE SHOE NC 28742

d. Employee's social security number: 408-00-1008

e. Employee's name (first, m. last): TEST M LUCKY

f. Employee's address and Zip code: 13 WINNERS CIR
HORSE SHOE CA 95678

Box 1 (Wages, tips, etc.): 14000

Box 2 (Federal Income Tax Withheld): 800

Box 3 (Social Security wages): 14000

Box 4 (Social Security tax withheld): 868

Box 5 (Medicare wages and tips): 14000

Box 6 (Medicare tax withheld): 203

Box 16 (State and State ID Number): CA 568866

Box 17 (State Wages): 14000

Box 18 (State Income tax withheld): 980

CA SDI: 70

California PATS Testing Income Tax Return 1998

FORM

540A

Use the California mailing label. If you do not have the label, please print.

Step 1 Name and Address

Your first name	Initial	Last name	Your social security number		Do Not Write In These Spaces
If joint return, spouse's first name		Initial	Last name	Spouse's social security number	
Present home address — number and street including PO Box or rural route				Apt. no.	
City, town or post office				State	
ZIP Code					

Step 2 Filing Status

Check only one.

- 1 ☐ Single
2 ☐ Married filing joint return (even if only one spouse had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
4 ☐ Head of household (with qualifying person). _____
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19 _____.

Step 3 Exemptions

Attach check or
money order and
Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, even if that person chooses not to, check here ☐ 6
7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions. 7
8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. 8
9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. 9
10 Total Exemptions 10

Step 4 Taxable Income

Attach copy of your
Form(s) W-2, W-2G
and 1099-R here.

- 12 a State wages from your Form(s) W-2, box 17 12a
12 b Federal adjusted gross income from your TeleFile Tax Record, line H; Form 1040EZ, line 4; Form 1040A, line 16; or Form 1040, line 32. If this amount is over \$100,000, STOP; you must file Form 540. 12b
13 Total California income adjustments. Enter the amount from Side 2, Part I, line 7 13
14 Subtract line 13 from line 12b. This is your California adjusted gross income. See instructions 14
15 Enter the larger of your CA itemized deductions OR your CA standard deduction. See instructions 15
16 Subtract line 15 from line 14. This is your taxable income. If less than zero, enter -0-. 16
17 Tax. Use the tax table or tax rate schedules to find the tax on the amount shown on line 16 17
18 Exemption credits. 18
19 Nonrefundable Renter's Credit 19
20 Total credits. Add line 18 and line 19 20
23 Subtract line 18 from line 17. This is your total tax. If less than zero, enter -0-. 23

Step 5 Tax and Credits

Step 6 Overpaid Tax or Tax Due

- 24 California income tax withheld. See instructions 24
25 1997 CA estimated tax and payment with form FTB 3519 25
27 Did either you or your spouse receive more than \$31,767 in wages in 1997? Yes. See instructions. No. Go to line 28 27
28 Total payments and credits. Add line 24, line 25 and line 27. 28
29 Overpaid tax. If line 28 is more than line 23, subtract line 23 from line 28. 29
30 Enter the amount of line 29 you want applied to your 1998 estimated tax. 30
31 Overpaid tax available this year. Subtract line 30 from line 29. 31
32 Tax due. If line 28 is less than line 23, subtract line 28 from line 23. 32

Step 7 Refund or Amount You Owe

- 34 Total contributions. Enter amount from Side 2, Part II, line 11 34
35 Subtract line 34 from line 31. Enter the result here and go to Side 2, Part III to sign your return. You have a REFUND or NO AMOUNT DUE. 35
36 Add line 32 and line 34. Enter the result here and go to Side 2, Part III to sign your return. This is the AMOUNT YOU OWE 36
37 Underpayment of estimated tax. If form FTB 5805 is attached, check here 37
38 If you do not need California income tax forms mailed to you next year, check here. 38

Continued on Side 2.

**California
Income
Adjustments**
See instructions

- | | | | | |
|---|---|---|-------|--|
| 1 | State income tax refund adjustment (from Form 1040, line 10). See instructions | 1 | _____ | |
| 2 | Unemployment compensation adjustment (from federal TeleFile Tax Record, line D; Form 1040EZ, line 3;
Form 1040A, line 12; or Form 1040, line 19). See instructions | 2 | _____ | |
| 3 | Social security benefits adjustment or tier 1 and tier 2 railroad retirement benefits adjustment. See instructions | 3 | _____ | |
| 4 | California nontaxable interest or dividend income adjustment. See instructions | 4 | _____ | |
| 5 | California IRA distributions adjustment. See instructions | 5 | _____ | |
| 6 | California pensions and annuities adjustment. See instructions | 6 | _____ | |
| 7 | Total California income adjustments. Add line 1 through line 6. Enter here and on Side 1, line 13 | 7 | _____ | |

Part II

Contributions

- | | | | | | |
|----|---|--------|----|--|----|
| 1 | Contribution to California Seniors Special Fund. See instructions | ◀ 47 ▶ | 1 | | |
| | You may make a contribution of \$1 or more to the following funds: | | | | |
| 2 | Alzheimer's Disease/Related Disorders Fund | ◀ 48 ▶ | 2 | | 00 |
| 3 | California Fund for Senior Citizens. | ◀ 49 ▶ | 3 | | 00 |
| 4 | Rare and Endangered Species Preservation Program | ◀ 50 ▶ | 4 | | 00 |
| 5 | State Children's Trust Fund for the Prevention of Child Abuse | ◀ 51 ▶ | 5 | | 00 |
| 6 | California Breast Cancer Research Fund | ◀ 52 ▶ | 6 | | 00 |
| 7 | California Firefighters' Memorial Fund | ◀ 53 ▶ | 7 | | 00 |
| 8 | California Public School Library Protection Fund | ◀ 54 ▶ | 8 | | 00 |
| 9 | D.A.R.E. California (Drug Abuse Resistance Education) Fund. | ◀ 55 ▶ | 9 | | 00 |
| 10 | California Military Museum Fund | ◀ 56 ▶ | 10 | | 00 |
| 11 | California Mexican American Veterans' Memorial | < 57 > | 11 | | |

Do not attach your federal return to this return.

Part III

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct and complete. 9

Your signature _____ Spouse's signature (if filing joint, both must sign) _____ Daytime phone number () - -

Sign Here

X X Date

It is unlawful to forge a spouse's signature.

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Preparer's SSN/FEIN _____

Firm's name (or yours if self-employed)	Firm's address
---	----------------

Where to Mail Your Return

REFUND or NO AMOUNT DUE (Side 1, line 35):

FRANCHISE TAX BOARD

PO BOX 942840

SACRAMENTO CA 94240-0000

AMOUNT DUE (Side 1, line 36):

FRANCHISE TAX BOARD

PO BOX 942867

SACRAMENTO CA 94267-0001

- Make your check or money order payable to "Franchise Tax Board."
- Write your social security number and "1997 Form 540A" on your check or money order.
- Complete Form 540-V, Return Payment Voucher for Individuals.
- Attach check or money order and voucher to your Form 540A.

Due to a tax law change, renter's credit has been eliminated for 1997.

You may not claim the credit on your personal income tax return.

- Be sure to file your return by April 15, 1999
- If you cannot file your return by April 15, 1999 and owe tax, be sure to complete form FTB 3519, Payment Voucher for Automatic Extension for Individuals, and pay the amount you owe by April 15, 1999 to avoid late payment penalties and interest.
- Do not attach a copy of your federal return.
- Use the preprinted label if you received one. If the information is not correct, make the necessary corrections in ink. If you did not receive a label, print your name, social security number and address in Step 1.

TEST # 10 SSN: 408-00-1010

FORMS AND SCHEDULES:

540

Forms W-2 (1)

Sch P

TAXPAYER & SPOUSE:

Test J Caesar

Cleo P Caesar 408-00-2010

15 Ides of March Pkwy

Rome CA 95678

Filing Status: Married Filing Jointly

DEPENDENTS:

Sally Caesar - DAUGHTER

Julius Brutus - SON

Standard Deduction

Prepared by Taxpayer

STATE DIFFERENCES:

Changes to 540

Note:

Child Adoption Credit is limited by tentative minimum tax (SCH P)

Changes to W-2 #1

Add:

CA SDI: **159.00**

Form W-2 #1:

b. Employer's identification number: 64-2131415

c. Employer's name, address, and Zip Code:

THE GREEK PLAYHOUSE

98 PARTHANON PLACE

ROME MS 38768

d. Employee's social security number: 408-00-1010

e. Employee's name (first, m., last): TEST J CAESAR

f. Employee's address and Zip code: 15 IDES OF MARCH PKWY

ROME CA 95678

Box 1 (Wages, tips, etc.): 62000

Box 2 (Federal Income Tax Withheld): 3400

Box 3 (Social Security wages): 62000

Box 4 (Social Security tax withheld): 3844

Box 5 (Medicare wages and tips): 62000

Box 6 (Medicare tax withheld): 899

Box 13 (See instructions): T 1000

Box 16 (State and State ID Number): CA 641213

Box 17 (State Wages): 62000

Box 18 (State Income tax withheld): 4340

SDI: 159

California PATS Testing Income Tax Return 1998

FORM

540

Fiscal year filers, enter year ending: month year 1 9 9 9

Step 1

Name and Address

Use mailing label or print.

Your first name		Initial	Last name		Your social security number				Do Not Write In These Spaces
If joint return, spouse's first name		Initial	Last name		Spouse's social security number				
Present home address — number and street including PO Box or rural route								Apt. no.	
City, town or post office					State	ZIP Code			
								P	
								AC	
								A	
								R	
								RP	

Step 2

Filing Status

Check only one.

- 1 ☐ Single
- 2 ☐ Married filing joint return (even if only one spouse had income)
- 3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
- 4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
- 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19____.

Step 3

Exemptions

Attach check or money order and Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, check the box here. ● 6 ☐
- 7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. 7
- 8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. 8
- 9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. ● 9
- 10 Total number of exemptions. 10
- 11 Total number of dependents. 11

Step 4

Taxable Income

Attach copy of your Form(s) W-2, W-2G and 1099-R here.

- 12 State wages from your Form(s) W-2, box 17. ● 12
- 13 Federal adjusted gross income from Form 1040, line 32, Form 1040A, line 16, Form 1040EZ, line 4 or TeleFile Tax Record, line H 13
- 14 California adjustments — subtractions. Enter the amount from Schedule CA (540), line 32, column B ● 14
- Caution: If the amount on Schedule CA (540), line 32, column B is a negative number, see instructions.
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions. 15
- 16 California adjustments — additions. Enter the amount from Schedule CA (540), line 32, column C ● 16
- Caution: If the amount on Schedule CA (540), line 32, column C is a negative number, see instructions.
- 17 California adjusted gross income. Combine line 15 and line 16 ● 17
- 18 Enter the larger of:

{

Your California **itemized deductions** from Schedule CA (540), line 39; **OR**
 Your California **standard deduction** shown below for your filing status:

 - Married filing joint, Head of household, or Qualifying widow(er) . . . \$5,284
 - Single or Married filing separate \$2642
 (Dependent of someone else and checked box on line 6. . . See instructions)

} ● 18
- 19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0- 19

Step 5

Tax

- 20 Tax. Check if from ☐ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 or ☐ FTB 3803 ● 20
- Caution: If under age 14 and you have more than \$1400 of investment income, read the line 20 instructions to see if you must attach form FTB 3800.
- 21 Exemption credits. 21
- Caution: See the line 21 instructions before making an entry on this line.
- Check if from ☐ Flowchart ☐ Federal AGI limit or ☐ California TMT limit ● 21
- 22 Subtract line 21 from line 20. If less than zero, enter -0- 22
- 23 Tax. Check if from ☐ Schedule G-1, Tax on Lump-Sum Distributions; and ☐ form FTB 5870A, Tax on Accumulation Distribution of Trusts ● 23
- 24 Add line 22 and line 23. Continue to Side 2 24

Step 6**Special Credits and Nonrefundable Renter's Credit**

25	Amount from Side 1, line 24	25	
28	Enter credit name _____ code no. _____ and amount	▶ 28	
29	Enter credit name _____ code no. _____ and amount	▶ 29	
30	To claim more than two credits, see instructions	● 30	
31	Nonrefundable renter's credit. See instructions for "Step 6"	● 31	
33	Add line 28 through line 31. These are your total credits	33	
34	Subtract line 33 from line 25. If less than zero, enter -0-	34	

Step 7**Other Taxes**

35	Alternative minimum tax. Attach Schedule P (540)	● 35	
36	Other taxes and credit recapture. See instructions	● 36	
37	Add line 34 through line 36. This is your total tax	● 37	

Step 8**Payments**

38	CA income tax withheld. Enter total from your 1998 Form(s) W-2, W-2G, 1099-MISC and 1099-R. Also, attach form(s) to Side 1	■ 38	
39	1998 California estimated tax and amount applied from your 1997 return. Include the amount from form FTB 3519 or Schedule K-1 (541)	■ 39	
41	Did either you or your spouse receive more than \$31,767 in wages in 1998? Yes. See instructions. No. Go to line 42	■ 41	
42	Add line 38 through line 41. These are your total payments	42	

Step 9**Overpaid Tax or Tax Due**

43	Overpaid tax. If line 42 is more than line 37, subtract line 37 from line 42	43	
44	Amount of line 43 you want applied to your 1999 estimated tax	■ 44	
45	Overpaid tax available this year. Subtract line 44 from line 43	■ 45	
46	Tax due. If line 42 is less than line 37, subtract line 42 from line 37	46	

Step 10**Contributions**

47	Contribution to California Seniors Special Fund. See instructions	● 47	
You may make a contribution of \$1 or more to:			
48	Alzheimer's Disease/Related Disorders Fund	● 48	00
49	California Fund for Senior Citizens	● 49	00
50	Rare and Endangered Species Preservation Program	● 50	00
51	State Children's Trust Fund for the Prevention of Child Abuse	● 51	00
52	California Breast Cancer Research Fund	● 52	00
53	California Firefighters' Memorial Fund	● 53	00
54	California Public School Library Protection Fund	● 54	00
55	D.A.R.E. California (Drug Abuse Resistance Education) Fund	● 55	00
56	California Military Museum Fund	● 56	00
57	California Mexican American Veterans' Fund	● 57	00
58	Emergency Food Assistance Program Fund	● 58	00
59	Add line 47 through line 58. These are your total contributions	● 59	

Step 11**Refund or Amount You Owe**

60	REFUND OR NO AMOUNT DUE. Subtract line 59 from line 45. Mail your return to: IMAGE PROCESSING, FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009	■ 60	
61	AMOUNT YOU OWE. Add line 46 and line 59. Make a check/money order payable to "Franchise Tax Board" for the full amount. Write your social security number and "1998 Form 540" on it. Attach it to the front of your Form 540 and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001.	■ 61	

Step 12**Interest and Penalties**

62	Interest, late return penalties and late payment penalties	62	
63	Underpayment of estimated tax. If form FTB 5805 or 5805F is attached, check here	<input type="checkbox"/> ■ 63	
		● 64	4

Sign Here

It is unlawful to forge a spouse's signature.

IMPORTANT: See "Sign Your Return" in the Form 540 instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Your signature	Spouse's signature (if filing joint, both must sign)	Date	Daytime phone number
X	X		()

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) Paid preparer's SSN/FEIN

Firm's name (or yours if self-employed) Firm's address

1998 California Adjustments — Residents**CA (540)****Important:** Attach this schedule directly behind Form 540, Side 2.

Name(s) as shown on return

Social security number

Part I Income Adjustment Schedule

	A	B	C
	Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions.	Additions See instructions.
Section A — Income			
7 Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7		
8 Taxable interest income	8		
9 Ordinary dividends	9		
10 State tax refund. Enter the same amount in column A and column B	10		
11 Alimony received	11		
12 Business income or (loss)	12		
13 Capital gain or (loss)	13		
14 Other gains or (losses)	14		
15 Total IRA distributions. See instructions. (a)	(b)		
16 Total pensions and annuities. See instructions. (a)	(b)		
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17		
18 Farm income or (loss)	18		
19 Unemployment compensation. Enter the same amount in column A and column B	19		
20 Social security benefits (a)	(b)		
21 Other income.			
a California lottery winnings		a	a
b Disaster loss carryover from FTB 3805V		b	b
c Federal NOL (Form 1040, line 21)		c	c
d NOL carryover from FTB 3805V		d	d
e NOL from FTB 3805Z, 3806 or 3807		e	e
f Other (describe)	21	f	f
22 Total. Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B	22		

Section B — Adjustments to Income

23 IRA deduction	23		
24 Student loan interest deduction	24		
25 Medical savings account deduction	25		
26 Moving expenses	26		
27 One-half of self-employment tax	27		
28 Self-employed health insurance deduction	28		
29 Keogh and self-employed SEP and SIMPLE plans	29		
30 Penalty on early withdrawal of savings	30		
31a Alimony paid. (b) Recipient's: SSN _____ - _____ - _____ Last name _____	31a		
32 Add line 23 through line 31a in columns A, B, and C.	32		
33 Total. Subtract line 32 from line 22 in columns A, B, and C. See the instructions for how to transfer the total to Form 540	33		

Part II Adjustments To Federal Itemized Deductions

35 Federal itemized deductions. Add the amounts on federal Sch. A (Form 1040), lines 4, 9, 14, 18, 19, 26 and 27	35	
36 Enter total of federal Sch. A, line 5 (state and local income tax and State Disability Insurance) and line 8 (foreign taxes only)	36	
37 Subtract line 36 from line 35.	37	
38 Other adjustments including California lottery losses. See instructions. Specify _____	38	
39 Combine line 37 and line 38.	39	
40 Is the amount on Form 540, line 13 more than the amount shown below for your filing status?		
Single or married filing separate \$116,777		
Head of household \$175,166		
Married filing joint or qualifying widow(er) \$233,556		
NO. Transfer the amount on line 39 to line 40.		
YES. Complete the Itemized Deductions Worksheet in the instructions for Sch. CA (540), line 40.		
Is the amount you entered on line 40 more than your standard deduction below?		
Single or married filing separate \$2,642		
Married filing joint, head of household or qualifying widow(er) \$5,284		
YES. Transfer the amount on line 40 to Form 540, line 18.		
NO. Enter your standard deduction on Form 540, line 18.		

1998

Alternative Minimum Tax and Credit Limitations — Residents

P (540)

Attach this schedule to Form 540.

Name(s) as shown on Form 540

Your social security number

Part I Adjustments and Preferences Important: See instructions for information regarding California/federal differences.

1	If you itemized deductions, go to line 2. If you did not itemize deductions, enter your standard deduction from Form 540, line 18, and go to line 6	1	
2	Medical and dental expense. Enter the smaller of Schedule A, Form 1040, line 4, or 2½% of Form 1040, line 34	2	
3	Personal property taxes and real property taxes. See instructions	3	
4	Certain interest on a home mortgage not used to buy, build, or improve your home. See instructions.	4	
5	Miscellaneous itemized deductions. See instructions.	5	
6	Refund of personal property taxes and real property taxes. See instructions	6	()
Caution: Do not include your state income tax refund on this line.			
7	Investment interest expense adjustment. See instructions.	7	
8	Post-1986 depreciation. See instructions	8	
9	Adjusted gain or loss. See instructions	9	
10	Incentive stock options and California qualified stock options (CQSOs). See instructions	10	
11	Passive activities adjustment. See instructions	11	
12	Beneficiaries of estates and trusts. Enter the amount from Schedule K-1 (541), line 8.	12	
13	Other. Enter the amount, if any, for each item, a through o, and enter the total on line 13. See instructions.		
a	Appreciated contributions		
b	Circulation expenditures		
c	Depletion		
d	Depreciation (pre-1987).		
e	Installment sales		
f	Intangible drilling costs		
g	Long-term contracts		
h	Loss limitations		
i	Mining costs		
j	Patron's adjustment.		
k	Pollution control facilities		
l	Qualified small business stock		
m	Research and experimental.		
n	Tax shelter farm activities.		
o	Related adjustments		
13		13	
14	Total Adjustments and Preferences. Combine line 1 through line 13	14	

Part II Alternative Minimum Taxable Income (AMTI)

15	Enter taxable income from Form 540, line 19. See instructions.	15	
16	Net operating loss (NOL) deduction from Schedule CA (540), line 21b, 21d and 21e, column B. Enter as a positive amount. .	16	
17	AMTI exclusion. See instructions	17	()
18	If you claimed the standard deduction, or you itemized deductions and your federal AGI is less than the amount for your filing status (listed below), skip this line and go to line 19. If you itemized deductions and your federal AGI is more than the amount for your filing status, see instructions.		
	Single or married filing separate \$116,777		
	Married filing joint or qualifying widow(er) \$233,556		
	Head of household \$175,166	18	()
19	Combine line 14 through line 18.	19	
20	Alternative minimum tax NOL deduction. See instructions. Do not enter more than 90% of line 19.	20	
21	Alternative minimum taxable income. Subtract line 20 from line 19 (if married filing separate and line 21 is more than \$221,882, see instructions)	21	

Part III Exemption Amount and Alternative Minimum Tax (AMT)

22	Exemption Amount. (If this schedule is for a child under age 14, see instructions.)		
	If your filing status is:	And line 21 is not over:	Enter on line 22:
	Single or head of household	\$161,044	\$42,945
	Married filing joint or qualifying widow(er)	214,725	57,260
	Married filing separate	107,362	28,630
	If Part II, line 21 is over the amount shown above for your filing status, see instructions.		
23	Subtract line 22 from line 21. If zero or less, enter -0-	23	
24	Tentative minimum tax. Multiply line 23 by 7.0% (.07).	24	
25	Regular tax before credits from Form 540, line 20. If an amount is entered on Form 540, line 23, see instructions.	25	
26	Alternative Minimum Tax. Subtract line 25 from line 24. If zero or less, enter -0- here and on Form 540, line 35. If more than zero, enter here and on Form 540, line 35. (Exception: If you have carryover credit for solar energy or commercial solar energy, first enter the result on Side 2, Part V, Section C, line 26.)	26	

Part IV Exemption Credit Limitation.

1	Enter regular tax from Side 1, Part III, line 25.	1	
2	Enter tentative minimum tax from Side 1, Part III, line 24	2	
3	Subtract line 2 from line 1. If the result is zero or less, see instructions	3	
4	If your filing status is: Is your federal AGI, Form 540, line 13 more than:		
	Single or married filing separate	\$116,777	
	Married filing joint or qualifying widow(er)	\$233,556	
	Head of household	\$175,166	
No. a	Multiply \$70 by the amount from Form 540, line 10	a	
b	Multiply \$253 by the amount from Form 540, line 11.	b	
c	Add line a and line b, and enter the result on line 4.		
Yes.	Enter the amount from Form 540 Instructions, line 21, Worksheet I, line I on line 4.		
5	Allowable exemption credits. Is line 3 more than line 4?		
Yes.	Enter the amount from line 4 here and on Form 540, line 21. Check the box labeled "Federal AGI limit," and complete Form 540. Note: If you also answered "no" on line 4, check the box labeled "Flowchart" instead.		
No.	Enter the amount from line 3 here and on Form 540, line 21. Check the box labeled "California TMT limit," and complete Form 540.		
If you are claiming additional credits, continue to Part V and complete Form 540 through line 24.			

Part V Credits that Reduce Tax **Note:** Be sure to attach your credit forms to Form 540.

6	Enter the amount from Form 540, line 24	6	
7	Enter the tentative minimum tax from Side 1, Part III, line 24	7	

Section A – Credits that reduce excess tax.

	(a) Credit amount	(b) Credit used this year	(c) Tax balance that may be offset by credits	(d) Credit carryover
8	Subtract line 7 from line 6. If zero or less enter -0- and see instructions. This is your excess tax which may be offset by credits			
A1	Credits that reduce excess tax and have no carryover provisions.			
9	Code: 170 Credit for joint custody head of household			
10	Code: 173 Credit for dependent parent			
11	Code: 163 Credit for senior head of household			
12	Code: 162 Prison inmate labor credit			
13	Code: 169 Enterprise Zone employee credit			
A2	Credits that reduce excess tax and have carryover provisions. See instructions.			
14	Code: ____ Credit Name: _____			
15	Code: ____ Credit Name: _____			
16	Code: ____ Credit Name: _____			
17	Code: ____ Credit Name: _____			
18	Code: 188 Credit for prior year alternative minimum tax			

Section B – Credits that may reduce tax below tentative minimum tax.

19	If Part V, line 8 is zero, enter the amount from line 6. If line 8 is more than zero, enter the total of line 7 and the last entry in column (c).			
B1	Credits that reduce net tax and have carryover provisions. See instructions.			
20	Code: ____ Credit Name: _____			
21	Code: ____ Credit Name: _____			
22	Code: ____ Credit Name: _____			
23	Code: ____ Credit Name: _____			
B2	Credits that reduce net tax and have no carryover provisions.			
24	Code: 187 Other state tax credit			
25	Nonrefundable Renter's Credit. Be sure to enter the amount in column (b) on Form 540, line 31			

Section C – Credits that may reduce alternative minimum tax.

26	Enter your alternative minimum tax from Side 1, Part III, line 26			
27	Code: 180 Solar energy credit carryover from Section B1, column (d).			
28	Code: 181 Commercial solar energy credit carryover from Section B1, column (d)			
29	Adjusted AMT. Enter the balance from line 28, column (c) here and on Form 540, line 35			

TEST #16 SSN: 408-00-1016

FORMS AND SCHEDULES:

540

Form 5805

TAXPAYER & SPOUSE:

Test L Tonto Sr

Silver N Tonto SSN: 408-00-2016

21 Lone Ranger Cir

Smoke Signal CA 95678

Filing Status: Married Filing Jointly

Standard Deduction

STATE DIFFERENCES:

Estimate payment from 1997 taxes: 120.00

California PATS Testing Income Tax Return 1998

FORM

540

Fiscal year filers, enter year ending: month _____ year 1 9 9 9

Step 1

Name and Address

Use mailing label or print.

Your first name		Initial	Last name		Your social security number				Do Not Write In These Spaces
If joint return, spouse's first name		Initial	Last name		Spouse's social security number				
Present home address — number and street including PO Box or rural route					Apt. no.				
City, town or post office					State		ZIP Code		
									P
									AC
									A
									R
									RP

Step 2

Filing Status

Check only one.

- 1 ☐ Single
2 ☐ Married filing joint return (even if only one spouse had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19____.

Step 3

Exemptions

Attach check or money order and Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, check the box here. ☐ 6
7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. 7
If you checked the box on line 6, see instructions. 8
8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. 8
9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. 9
10 Total number of exemptions. 10
11 Total number of dependents. 11

Step 4

Taxable Income

Attach copy of your Form(s) W-2, W-2G and 1099-R here.

- 12 State wages from your Form(s) W-2, box 17. 12
13 Federal adjusted gross income from Form 1040, line 32, Form 1040A, line 16, Form 1040EZ, line 4 or TeleFile Tax Record, line H 13
14 California adjustments — subtractions. Enter the amount from Schedule CA (540), line 32, column B 14
Caution: If the amount on Schedule CA (540), line 32, column B is a negative number, see instructions.
15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions. 15
16 California adjustments — additions. Enter the amount from Schedule CA (540), line 32, column C 16
Caution: If the amount on Schedule CA (540), line 32, column C is a negative number, see instructions.
17 California adjusted gross income. Combine line 15 and line 16 17
18 Enter the larger of:

Your California itemized deductions from Schedule CA (540), line 39; OR	} 18
Your California standard deduction shown below for your filing status:		
• Married filing joint, Head of household, or Qualifying widow(er) \$5,284		
• Single or Married filing separate \$2642		

(Dependent of someone else and checked box on line 6. See instructions)

19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0- 19

Step 5

Tax

- 20 Tax. Check if from ☐ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 or ☐ FTB 3803 20
Caution: If under age 14 and you have more than \$1400 of investment income, read the line 20 instructions to see if you must attach form FTB 3800.
21 Exemption credits.
Caution: See the line 21 instructions before making an entry on this line.
Check if from ☐ Flowchart ☐ Federal AGI limit or ☐ California TMT limit 21
22 Subtract line 21 from line 20. If less than zero, enter -0- 22
23 Tax. Check if from ☐ Schedule G-1, Tax on Lump-Sum Distributions; and ☐ form FTB 5870A, Tax on Accumulation Distribution of Trusts 23
24 Add line 22 and line 23. Continue to Side 2 24

Step 6

Credits

25	Amount from Side 1, line 24	25	
28	Enter credit name _____ code no. _____ and amount . . .	▶ 28	
29	Enter credit name _____ code no. _____ and amount . . .	▶ 29	
30	Enter credit name _____ code no. _____ and amount . . .	▶ 30	
32	Nonrefundable Renter's Credit	● 32	
33	Add line 28 through line 31. These are your total credits	33	
34	Subtract line 33 from line 25. If less than zero, enter -0-	34	

Step 7

Other Taxes

35	Alternative minimum tax. Attach Schedule P (540)	● 35	
36	Other taxes and credit recapture. See instructions	● 36	
37	Add line 34 through line 36. This is your total tax	● 37	

Step 8

Payments

38	California income tax withheld. Enter total from your 1997 Form(s) W-2, W-2G, 1099-MISC and 1099-R. Also attach the Form(s) to Side 1	■ 38	
39	1997 CA estimated tax and amount applied from your 1996 return. Include the amount from form FTB 3519 or Schedule K-1 (541)	■ 39	
41	Did either you or your spouse receive more than \$31,767 in wages in 1997? Yes. See instructions. No. Go to line 42	■ 41	
42	Add line 38 through line 41. These are your total payments	42	

Step 9

Overpaid Tax or Tax Due

43	Overpaid tax. If line 42 is more than line 37, subtract line 37 from line 42.	43	
44	Amount of line 43 you want applied to your 1998 estimated tax	■ 44	
45	Overpaid tax available this year. Subtract line 44 from line 43.	■ 45	
46	Tax due. If line 42 is less than line 37, subtract line 42 from line 37.	46	

Step 10

Contributions

47	Contribution to California Seniors Special Fund. See instructions	● 47	
You may make a contribution of \$1 or more to:			
48	Alzheimer's Disease/Related Disorders Fund	● 48	00
49	California Fund for Senior Citizens	● 49	00
50	Rare and Endangered Species Preservation Program	● 50	00
51	State Children's Trust Fund for the Prevention of Child Abuse	● 51	00
52	California Breast Cancer Research Fund	● 52	00
53	California Firefighters' Memorial Fund	● 53	00
54	California Public School Library Protection Fund	● 54	00
55	D.A.R.E. California (Drug Abuse Resistance Education) Fund	● 55	00
56	California Military Museum Fund	● 56	00
57	Add line 47 through line 56. These are your total contributions	● 57	

Step 11

Refund or Amount You Owe

58	REFUND OR NO AMOUNT DUE. Subtract line 57 from line 45. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0000	■ 58	\$ <input type="text"/>
59	AMOUNT YOU OWE. Add line 46 and line 57. Make a check/money order payable to "Franchise Tax Board" for the full amount. Write your social security number and "1997 Form 540" on it. Complete Form 540-V. Attach both to the front of your Form 540 and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001	■ 59	\$ <input type="text"/>

Step 12

Interest and Penalties

60	Interest, late return penalties and late payment penalties.	60	
61	Underpayment of estimated tax. If form FTB 5805 or 5805F is attached, check here	<input type="checkbox"/> 61	
62	If you do not need California income tax forms mailed to you next year, check here.	● 62	<input type="checkbox"/>

IMPORTANT: See "Sign Your Return" in the Form 540 instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

9

Sign Here

It is unlawful to forge a spouse's signature.

Your signature

X

Daytime phone number

() +

Spouse's signature (if filing joint, both must sign)

X

Date

 +

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)

Preparer's SSN/FEIN

Firm's name (or yours if self-employed)

Firm's address

1998**Underpayment of Estimated Tax
by Individuals and Fiduciaries****5805**

Attach this form to the **front** of your Form 540, Form 540A, Form 540NR or Form 541. Also, check the box for underpayment of estimated tax located on Form 540, line 63; Form 540A, line 37; Form 540NR, line 72 or Form 541, line 39, whichever applies.

Name(s) as shown on return

Social security number or FEIN

IMPORTANT

IN MOST CASES, THE FRANCHISE TAX BOARD (FTB) CAN FIGURE THE PENALTY FOR YOU AND YOU DO NOT HAVE TO COMPLETE THIS FORM. SEE GENERAL INFORMATION B.

IF YOU MEET ANY OF THE FOLLOWING CONDITIONS, YOU DO NOT OWE A PENALTY FOR UNDERPAYMENT OF ESTIMATED TAX AND SHOULD NOT COMPLETE OR FILE THIS FORM.

Conditions:

- 80% of your 1998 California adjusted gross income (AGI) was wages subject to California withholding; or
- 80% of your 1997 or 1998 tax liability (not including tax on lump-sum distributions and alternative minimum tax) less credits was paid by the amount of tax withheld from your wages for that year. Do not include the withholding credit or estimated tax payments.
- The amount of your tax liability (not including tax on lump-sum distributions and alternative minimum tax) less credits (including the withholding credit) but not including estimated tax payments for either 1997 or 1998 was less than \$200 (or less than \$100 if married filing a separate return); or
- Your 1997 return was for a full 12 months (or would have been if you were required to file) and you did not have any tax liability on that return; or
- The amount of your withholding plus your estimated tax payments, if **paid in the required installments**, is at least 80% of the tax shown on your 1998 return or 100% of the tax shown on your 1997 return AND you are not using the annualized income installment method.

Part I Questions. All filers must complete this part.

- Are you requesting a waiver of the penalty? If yes, provide an explanation below. If you need additional space, attach a statement. See General Information C. ☐ Yes ☐ No
- Did you use the annualized income installment method? If yes, see instructions for Part III. ☐ Yes ☐ No
- Was your California withholding **not** withheld in equal installments and are you able to show the actual amounts withheld per period and the actual dates withheld? If yes, you must enter the uneven amounts withheld on the spaces provided below. ☐ Yes ☐ No
Enter the **actual uneven amounts withheld** next to the corresponding quarterly payment due date here:
4/15/98 \$ _____; 6/15/98 \$ _____; 9/15/98 \$ _____; 1/15/99 \$ _____.
- For estates and trusts: Was the date of death less than two years from the end of the tax year? See General Information E. ☐ Yes ☐ No

Part II Required Annual Payment. All filers must complete this part.

1	Current year tax. Enter your 1998 tax after credits. See instructions.	1	
2	Multiply line 1 by 80% (.80)	2	
3	Withholding taxes. Do not include any estimated tax payments on this line. See instructions.	3	
4	Subtract line 3 from line 1. If less than \$200 (or less than \$100 if married filing a separate return), stop here. You do not owe the penalty. Do not file form FTB 5805	4	
5	Enter the tax shown on your 1997 tax return. See instructions.	5	
6	Required annual payment. Enter the smaller of line 2 or line 5	6	

Short Method Caution: See the instructions to find out if you can use the short method. If you answered Yes to Question 2 in Part I, skip this part and go to Part III. If you answered No to Question 2 in Part I **and** you cannot use the short method, go to Worksheet II in the instructions.

7	Enter the amount, if any, from Part II, line 3 above	7	
8	Enter the total amount, if any, of estimated tax payments you made	8	
9	Add line 7 and line 8	9	
10	Total underpayment for year. Subtract line 9 from line 6. If zero or less, stop here; you do not owe the penalty. Do not file form FTB 5805	10	
11	Multiply line 10 by .057082.	11	
12	<ul style="list-style-type: none"> If the amount on line 10 was paid on or after 4/15/99, enter -0-. If the amount on line 10 was paid before 4/15/99, enter the result of the following computation: 		
	<div style="display: flex; justify-content: space-around;"> Amount on line 10 X Number of days paid before 4/15/99 X .00025 </div>	12	
13	PENALTY. Subtract line 12 from line 11. Enter the result here and on Form 540, line 63; Form 540A, line 37; Form 540NR, line 72; or Form 541, line 39. Also check the box on that line	13	

TEST # 18 SSN: 408-00-1018

FORMS AND SCHEDULES:

540

Forms W-2 (1)

Form W-2G

Form 1099-R

Form 3805P

TAXPAYER & SPOUSE:

Test T Islander

123 Play Here St

Destin CA 95678

Filing Status: Head of Household with HOH worksheet

DEPENDENTS:

Michael Islander - SON

Dependent son lived with taxpayer from:

01/01/1998 – 04/30/1998 and 07/01/1998 – 12/31/1998

Standard Deduction

Direct Deposit: RTN: 024567891
 Acct #: ABC-123-4567890
 Type of Account: Savings

Prepared by Taxpayer

STATE DIFFERENCES:

Taxpayer lives in California, W-2 from California

Form W-2 #1:

b. Employer's identification number: 58-2346821

c. Employer's name, address, and Zip Code:

OUT OF STATE INSURANCE SERVICES

7000 SIX FLAGS DR

ATLANTA GA 30301

d. Employee's social security number: 408-00-1018

e. Employee's name (first, m., last): TEST T ISLANDER

f. Employee's address and Zip code: 123 PLAY HERE ST
DESTIN CA 95678

Box 1 (Wages, tips, etc.): 28900

Box 2 (Federal Income Tax Withheld): 3000

Box 3 (Social Security wages): 28900

Box 4 (Social Security tax withheld): 1792

Box 5 (Medicare wages and tips): 28900

Box 6 (Medicare tax withheld): 419

Box 15 (Statutory employee): X

Box 16 (State and State ID Number): CA 5879871

Box 17 (State Wages): 28900

Box 18 (State Income tax withheld): 2023

Form W-2G #1:

Payer's name, address and Zip codes:

GULF CRUISE LINES
DOCK 106 HARBOR ROW
DESTIN FL 32540

Payer's identification number: 65-7294862

Winner's name, address, and Zip code:

TEST T ISLANDER
123 PLAY HERE ST
DESTIN CA 95678

Box 1 (Gross winnings): 5000

Box 2 (Federal Income tax withheld): 500

Box 3 (Type of wager): BLACKJACK

Box 4 (Date won): 02-14-1997

Box 9 (Winner's taxpayer ID No.): 408-00-1018

Box 13 (State/Payer's state ID No.): FL 6522768

Form 1099-R #1:

Payer's name, address, and Zip Code:

VACATION INSURANCE SERVICES
93 BAY ST
DESTIN CA 95678

Payer's identification number: 65-9687321

Recipient's social security number: 408-00-1018

Recipient's name (first, m., last): TEST T ISLANDER

Recipient's street address: 123 PLAY HERE ST

Recipient's city, state, and Zip code: DESTIN CA 95678

Box 1 (Gross distribution): 3000

Box 2a (Taxable amount): 3000

Box 2b (Total distribution): X

Box 7 (Distribution code): 1

California PATS Testing Income Tax Return 1998

FORM

540

Fiscal year filers, enter year ending: month year 1 9 9 9

Step 1

Name and Address

Use mailing label or print.

Your first name		Initial	Last name		Your social security number				Do Not Write In These Spaces
If joint return, spouse's first name		Initial	Last name		Spouse's social security number				
Present home address — number and street including PO Box or rural route								Apt. no.	
City, town or post office					State	ZIP Code			
								P	
								AC	
								A	
								R	
								RP	

Step 2

Filing Status

Check only one.

- 1 ☐ Single
- 2 ☐ Married filing joint return (even if only one spouse had income)
- 3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
- 4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
- 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19____.

Step 3

Exemptions

Attach check or money order and Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, check the box here. ● 6 ☐
- 7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. 7
- If you checked the box on line 6, see instructions. 8
- 8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. ● 9
- 9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. 10
- 10 Total number of exemptions. 11
- 11 Total number of dependents

Step 4

Taxable Income

Attach copy of your Form(s) W-2, W-2G and 1099-R here.

- 12 State wages from your Form(s) W-2, box 17. ● 12
- 13 Federal adjusted gross income from Form 1040, line 32, Form 1040A, line 16, Form 1040EZ, line 4 or TeleFile Tax Record, line H 13
- 14 California adjustments — subtractions. Enter the amount from Schedule CA (540), line 32, column B ● 14
- Caution:** If the amount on Schedule CA (540), line 32, column B is a negative number, see instructions.
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions. 15
- 16 California adjustments — additions. Enter the amount from Schedule CA (540), line 32, column C ● 16
- Caution:** If the amount on Schedule CA (540), line 32, column C is a negative number, see instructions.
- 17 California adjusted gross income. Combine line 15 and line 16 ● 17
- 18 Enter the larger of:

{

Your California **itemized deductions** from Schedule CA (540), line 39; **OR**
 Your California **standard deduction** shown below for your filing status:

 - Married filing joint, Head of household, or Qualifying widow(er) . . . \$5,284
 - Single or Married filing separate \$2642
 (Dependent of someone else and checked box on line 6. . . See instructions)

} ● 18
- 19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0- 19

Step 5

Tax

- 20 Tax. Check if from ☐ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 or ☐ FTB 3803 ● 20
- Caution:** If under age 14 and you have more than \$1400 of investment income, read the line 20 instructions to see if you must attach form FTB 3800.
- 21 Exemption credits. 21
- Caution:** See the line 21 instructions before making an entry on this line.
- Check if from ☐ Flowchart ☐ Federal AGI limit or ☐ California TMT limit ● 21
- 22 Subtract line 21 from line 20. If less than zero, enter -0- 22
- 23 Tax. Check if from ☐ Schedule G-1, Tax on Lump-Sum Distributions; and ☐ form FTB 5870A, Tax on Accumulation Distribution of Trusts ● 23
- 24 Add line 22 and line 23. Continue to Side 2 24

Step 6**Special Credits and Nonrefundable Renter's Credit**

25	Amount from Side 1, line 24	25	
28	Enter credit name _____ code no. _____ and amount	28	
29	Enter credit name _____ code no. _____ and amount	29	
30	To claim more than two credits, see instructions	30	
31	Nonrefundable renter's credit. See instructions for "Step 6"	31	
33	Add line 28 through line 31. These are your total credits	33	
34	Subtract line 33 from line 25. If less than zero, enter -0-	34	

Step 7**Other Taxes**

35	Alternative minimum tax. Attach Schedule P (540)	35	
36	Other taxes and credit recapture. See instructions	36	
37	Add line 34 through line 36. This is your total tax	37	

Step 8**Payments**

38	CA income tax withheld. Enter total from your 1998 Form(s) W-2, W-2G, 1099-MISC and 1099-R. Also, attach form(s) to Side 1	38	
39	1998 California estimated tax and amount applied from your 1997 return. Include the amount from form FTB 3519 or Schedule K-1 (541)	39	
41	Did either you or your spouse receive more than \$31,767 in wages in 1998? Yes. See instructions. No. Go to line 42	41	
42	Add line 38 through line 41. These are your total payments	42	

Step 9**Overpaid Tax or Tax Due**

43	Overpaid tax. If line 42 is more than line 37, subtract line 37 from line 42	43	
44	Amount of line 43 you want applied to your 1999 estimated tax	44	
45	Overpaid tax available this year. Subtract line 44 from line 43	45	
46	Tax due. If line 42 is less than line 37, subtract line 42 from line 37	46	

Step 10**Contributions**

47	Contribution to California Seniors Special Fund. See instructions	47	
You may make a contribution of \$1 or more to:			
48	Alzheimer's Disease/Related Disorders Fund	48	00
49	California Fund for Senior Citizens	49	00
50	Rare and Endangered Species Preservation Program	50	00
51	State Children's Trust Fund for the Prevention of Child Abuse	51	00
52	California Breast Cancer Research Fund	52	00
53	California Firefighters' Memorial Fund	53	00
54	California Public School Library Protection Fund	54	00
55	D.A.R.E. California (Drug Abuse Resistance Education) Fund	55	00
56	California Military Museum Fund	56	00
57	California Mexican American Veterans' Fund	57	00
58	Emergency Food Assistance Program Fund	58	00
59	Add line 47 through line 58. These are your total contributions	59	

Step 11**Refund or Amount You Owe**

60	REFUND OR NO AMOUNT DUE. Subtract line 59 from line 45. Mail your return to: IMAGE PROCESSING, FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009	60	
61	AMOUNT YOU OWE. Add line 46 and line 59. Make a check/money order payable to "Franchise Tax Board" for the full amount. Write your social security number and "1998 Form 540" on it. Attach it to the front of your Form 540 and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001.	61	

Step 12**Interest and Penalties**

62	Interest, late return penalties and late payment penalties	62	
63	Underpayment of estimated tax. If form FTB 5805 or 5805F is attached, check here	63	
		64	4

Sign Here

It is unlawful to forge a spouse's signature.

IMPORTANT: See "Sign Your Return" in the Form 540 instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Your signature	Spouse's signature (if filing joint, both must sign)	Date	Daytime phone number
X	X		()
Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)			Paid preparer's SSN/FEIN
Firm's name (or yours if self-employed)		Firm's address	

SCHEDULE HOH Worksheet

Field Number	Field Name	Form Ref.	Type	Length	Field Description
	Byte Count			4	"nnnn" for variable
	Start of Record Sentinel			4	Value "****"
000	Record ID			26	Value "SCHbHOHbbb(2n)PG01b(9n)" [2n = Schedule Occurrence Number 01; 9n=Taxpayer SSN]
010	Qualifying dependent box	1	A	1	"Y" or "N"
020	Relationship code		N	1	Valid range: 1-9
030	Qualifying person living with you	2	A	1	"Y" or "N"
040	Date – From	2(a)	DT	8	MMDDYYYY
050	Date – To	2(a)	DT	8	MMDDYYYY
060	Date – From	2(b)	DT	8	MMDDYYYY
070	Date – To	2(b)	DT	8	MMDDYYYY
080	Date – From	2(c)	DT	8	MMDDYYYY
090	Date – To	2(c)	DT	8	MMDDYYYY
100	Date – From	2(d)	DT	8	MMDDYYYY
110	Date – To	2(d)	DT	8	MMDDYYYY
120	Date – From	2(e)	DT	8	MMDDYYYY
130	Date – To	2(e)	DT	8	MMDDYYYY
140	Legally married	3	A	1	"Y" or "N"
150	Live with spouse	4	A	1	"Y" or "N"
160	Date – From	4(a)	DT	8	MMDDYYYY
170	Date – To	4(a)	DT	8	MMDDYYYY
180	Date – From	4(b)	DT	8	MMDDYYYY
190	Date – To	4(b)	DT	8	MMDDYYYY
200	Date – From	4(c)	DT	8	MMDDYYYY
210	Date – To	4(c)	DT	8	MMDDYYYY

1997

Additional Taxes Attributable to Qualified Retirement Plans
(Including IRAs), Annuities and Modified Endowment Contracts

3805P

For calendar year 1997, or fiscal year beginning , 9 7 , ending , 9 8 .

First name	Initial	Last name	Your social security number
Present home address (number and street or rural route)			Check this box if this is an amended return <input type="checkbox"/>
City, town or post office			ZIP Code
State			

- 1 Early distributions included in gross income. See instructions 1 _____
- 2 Distributions excepted from additional tax. See instructions. Enter exception number from the instructions. _____ 2 _____
- 3 Amount subject to additional tax. Subtract line 2 from line 1 3 _____
- 4 Tax due. Multiply line 3 by 2½% (.025). Enter here and on Form 540, line 36 or Form 540NR, line 45. If you are not required to file a California income tax return, sign this form below and refer to the instructions 4 _____

Caution: If any amount on line 3 was a distribution from a SIMPLE retirement plan, you must multiply that distribution by 6% (.06) instead of 2½%. See instructions for more information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. It is unlawful to forge a spouse's signature.

Your signature	Spouse's signature (if filing joint, both must sign)	Date
X	X	
Signature of paid preparer (declaration of preparer is based on all information of which preparer has any knowledge.)		Preparer's SSN/FEIN

Firm's name (or yours if self-employed) and address

Date

For Privacy Act Notice, see form FTB 1131.

General Information

Due to California legislation enacted in 1997, California tax law conforms to the Internal Revenue Code (IRC) as of January 1, 1997, and to selected provisions of the federal Taxpayer Relief Act of 1997 (Public Law 105-34).

Purpose

Use this form to report any additional tax you may owe on the early distribution from a qualified retirement plan, an annuity or a modified endowment contract.

Who Must File

You **must** file form FTB 3805P if you:

- Have distribution code 1 shown in box 7 of Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.;
- Owe the tax on early distributions from your qualified retirement plan (including IRA), annuity or modified endowment contract and you incorrectly have an exception code in box 7 of Form 1099-R; or

- Meet an exception to the tax on early distributions and the exception (distribution code 2, 3 or 4) is **NOT** shown or is incorrect on Form 1099-R. (You must file even if you do not owe any tax.)

You **do not** have to file form FTB 3805P if:

- You rolled over the entire taxable portion of the distributions you received during the year into another qualified plan within 60 days of receipt; or
- You received an early distribution from your plan but meet an exception to the tax (distribution code 2, 3 or 4 must be correctly shown on federal Form 1099-R).

California and federal laws are the same for tax on early distributions except for the rate of tax assessed. However, the amount of an IRA or Keogh distribution included in income may differ for state and federal tax purposes. Also, California does not have taxes similar to the excess contributions tax for IRAs, tax on excess contributions to medical savings accounts, or tax on excess accumulations in IRA plans.

Such taxes are figured on federal Form 5329, Additional Taxes Attributable to Qualified Retirement Plans (Including IRAs), Annuities and Modified Endowment Contracts, Part II, Part III and Part IV, respectively.

Joint Returns. Each spouse must complete a separate form FTB 3805P for taxes attributable to his or her distribution from a qualified retirement plan as described above. If both spouses owe a tax on early distributions,

enter the combined tax from both forms on Form 540, line 36 or Form 540NR, line 45.

IRA Contributions. Do not file form FTB 3805P to report a deduction for contributions to your IRA or Keogh plan. See the instructions for Schedule CA (540), California Adjustments — Residents, or Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents.

If you made a nondeductible IRA or Keogh contribution in prior years, refer to FTB Pub. 1005, Pension and Annuity Guidelines, for information on how to compute the taxable portion of your IRA distribution subject to the additional tax.

When to File

If you are required to file a 1997 Form 540, California Resident Income Tax Return, or Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, you must attach your 1997 form FTB 3805P to your return.

If you do not have enough income to require you to file a Form 540 or Form 540NR, file only form FTB 3805P. File the form at the time you would be required to file Form 540 or Form 540NR.

If you are paying tax for a previous year, you must complete that tax year's version of form FTB 3805P. If you have filed your Form 540 or Form 540NR for the prior year and you have no adjustments to income that require